



U.S. Department of the Interior  
Office of Inspector General

# **AUDIT REPORT**

**DEPARTMENT OF THE INTERIOR  
COMPLIANCE WITH LIMITATIONS  
ON LOBBYING ACTIVITIES**

**REPORT NO. 96-I-223  
DECEMBER 1995**



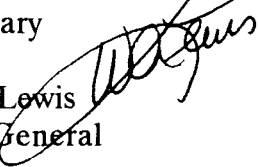
# United States Department of the Interior

OFFICE OF INSPECTOR GENERAL  
Washington, D.C. 20240

JAN 16 1996

## MEMORANDUM

TO: The Secretary

FROM: Wilma A. Lewis   
Inspector General

SUBJECT SUMMARY: Final Audit Report for Your Information - "Department of the Interior Compliance With Limitations on Lobbying Activities" (No. 96-I-223)

Attached for your information is a copy of the subject final report.

The Department of the Interior was in substantial compliance with the antilobbying provisions of Section 1352 of the United States Code, and the Section's requirements as implemented by the Department were effective. In addition, the Department complied with the Congressional reporting requirements for lobbying activities in a timely manner.

If you have any questions concerning this matter, please contact me at 208-5745.

Attachment



# United States Department of the Interior

OFFICE OF INSPECTOR GENERAL  
Headquarters Audits  
1550 Wilson Boulevard  
Suite 401  
Arlington, VA 22209

DEC 15 1995

## AUDIT REPORT

### Memorandum

To: Assistant Secretary - Policy, Management and Budget

From: Judy Harrison *Judy Harrison*  
Acting Assistant Inspector General for Audits

Subject: Final Audit Report on Department of the Interior Compliance With  
Limitations on Lobbying Activities (No. 96-I-223)

## INTRODUCTION

In accordance with Section 1352 of the United States Code (31 U.S.C. 1352 (d)(1)), the Office of Inspector General has reviewed Department of the Interior compliance with, and the effectiveness of the requirements imposed by, the Section and the Department's antilobbying guidance. The objectives of the audit were to determine whether the Department complied with Section 1352 and to evaluate the effectiveness of the Section's requirements for certification and disclosure of lobbying activities. We concluded that, overall, the Department has substantially complied with the Section's requirements and that the requirements as implemented by the Department were effective.

## BACKGROUND

Section 319 of Public Law 101-121, enacted on October 23, 1989, amended Title 31 of the United States Code by adding Section 1352, "Limitation on Use of Appropriated Funds to Influence Certain Federal Contracting and Financial Transactions." Section 1352 prohibits the use of appropriated funds by the recipient of a Federal contract, grant, cooperative agreement, or loan to pay any person for influencing or attempting to influence an officer or employee of any agency, a member of the Congress, an officer or employee of the Congress, or an employee of a member of the Congress in connection with certain types of Federal actions. The Department of the Interior requires each person who requests or receives a grant or a cooperative agreement exceeding \$100,000 or a loan over \$150,000 from the Department to certify compliance with this antilobbying provision with a signed certification, Form DI 1963, "Certification Regarding Lobbying." Subpart 3.808 of the Federal Acquisition Regulation (48 CFR 1) requires the provision at 52.203-11,

“Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions,” to be included in all solicitations expected to exceed \$100,000 and the clause at 52.203-12, “Limitation on Payments to Influence Certain Federal Transactions,” to be included in all solicitations and contracts expected to exceed \$100,000.

Any person who requests or receives a Federal contract, grant, or cooperative agreement exceeding \$100,000 or loan exceeding \$150,000 who uses nonappropriated funds for lobbying activities is required to disclose those activities by filing Standard Form LLL, “Disclosure of Lobbying Activities,” with the Department. The Department is required to collect and compile any information contained in Standard Form LLL during the 6-month periods ending March 31 and September 30 of each year and to report the information to the Secretary of the Senate and the Clerk of the House of Representatives on May 31 and November 30 for the applicable reporting periods.

Title 31, Section 1352(d)(1), of the United States Code requires that the Inspector General submit to the Congress annually an evaluation of the Department’s compliance with, and the effectiveness of the requirements imposed by, Section 1352.

## **SCOPE OF AUDIT**

To accomplish our audit, we reviewed 338 contracts, grants, and cooperative agreements, each totaling more than \$100,000, that were awarded from April 1, 1994, through March 31, 1995. We did not review loans over \$150,000 because such transactions occur infrequently within the Department and none of the audit sites selected for review had recorded loan transactions that exceeded this amount.

This compliance and performance audit was conducted from April through September 1995 at various Departmental and bureau offices (see Appendix 1). The review was made, as applicable, in accordance with the “Government Auditing Standards,” issued by the Comptroller General of the United States. Accordingly, we included such tests of records and other auditing procedures that were considered necessary under the circumstances. As a part of our review, we evaluated the Departmental system of internal controls for certification and disclosure of lobbying activities. Although we determined that the existing controls were adequate, we identified instances where the bureaus did not comply with prescribed procedures and Departmental guidance.

We also reviewed the Department’s Annual Statement and Report, required by the Federal Managers’ Financial Integrity Act, for fiscal year 1994 and noted that the existence of incomplete and inaccurate data in the Interior Procurement Data System was reported as a material internal control weakness. Because of this weakness, we

used additional sources, such as the internal bureau procurement logs, to select our audit samples.

## **PRIOR AUDIT COVERAGE**

Our prior report entitled “Department of the Interior Compliance With Limitations on Lobbying Activities”(No. 95-I-457), issued on February 10, 1995, stated that the Department was in compliance with Section 1352 of the United States Code and that the Section’s requirements as implemented by the Department were effective. The report also stated that the Department complied with the Congressional reporting requirements for lobbying activities in a timely manner.

## **RESULTS OF AUDIT**

We concluded that the Department of the Interior was in substantial compliance with the antilobbying provisions of Section 1352 of the United States Code and that the Section’s requirements as implemented by the Department were effective. We found that the required certifications or contract clauses were included in 317 (94 percent) of the 338 contract, grant, and cooperative agreement files we reviewed (see Appendix 2). We also found that the Department complied with the Congressional reporting requirements for lobbying activities in a timely manner.

### **Certification Requirements**

We found that the bureaus had incorporated the required antilobbying provision 52.203-11 or clause 52.203-12 in 208 (95 percent) of the 219 contract files we reviewed. We also found that 109 (92 percent) of the 119 grant and cooperative agreement files contained the required Form DI 1963.

For the 21 instances of noncompliance, the bureaus had taken or were in the process of taking action to obtain Forms DI 1963 or to incorporate the required certifications in 14 grant, cooperative agreement, and contract files. The seven remaining contracts, grants, and cooperative agreements have been completed; therefore, no corrective action is required.

We found that each of the offices where instances of noncompliance were identified had controls and procedures for ensuring compliance with requirements concerning lobbying. The instances of noncompliance that we noted were isolated except at the National Park Service, where 11 of the 95 actions we reviewed were not in compliance, and at the Office of Administrative Services, Office of the Secretary, where 3 of 13 actions were not in compliance. Seven of the 11 actions were at National Park Service locations that had not been audited in previous years. However, officials at these Park Service locations and at the Office of Administrative

Services indicated that actions would be taken to ensure future compliance with Section 1352.

## **Congressional Reporting Requirements**

We found that the Department had complied with the Congressional reporting requirements for lobbying activities in a timely manner. Title 31, Section 1352(a)(6)(A), of the United States Code requires each agency to report information concerning disclosures of lobbying activities paid for with nonappropriated funds by May 31 and November 30 of each year for the 6-month reporting periods ending March 31 and September 30, respectively. The required Departmental reports to the Congress were dated May 26 and November 30, 1994, respectively.

## **Effectiveness of Section 1352**

We believe that the primary mechanism for preventing the use of appropriated funds for lobbying activities by recipients of Federal contracts, grants, cooperative agreements, and loans is to adequately inform all recipients of the Federal antilobbying provisions. As discussed in the Certification Requirements section of this report, we found that the Department adequately provided such antilobbying information in its contracts, grants, and cooperative agreements. We also determined that there were no HOTLINE allegations or referrals to the Office of Inspector General concerning prohibited lobbying activities during our audit period. In addition, we found that procurement personnel at the offices visited during our audit were unaware of any circumstances regarding the use of Federally appropriated funds for lobbying activities.

Based on our conclusion that the Department is in substantial compliance with Section 1352 and our determination that no instances of noncompliance with the Section's requirements were reported, we believe that the requirements of Section 1352 as implemented by the Department were effective.

Since this report does not contain any recommendations, no response is required. However, if you have any questions regarding this report, please contact Mr. Neal Littlefield, Audit Director, at (703) 235-9388.

cc: Commissioner, Bureau of Reclamation  
Director, Bureau of Land Management  
Director, Office of Insular Affairs  
Director, Office of Surface Mining Reclamation  
and Enforcement

Director, National Biological Service  
Director, National Park Service  
Director, Minerals Management Service  
Director, U.S. Bureau of Mines  
Director, U.S. Fish and Wildlife Service  
Director, U.S. Geological Survey  
Director, Office of Acquisition and Property Management

## OFFICES VISITED

<u>Office</u>	<u>Location</u>
<u>Bureau of Land Management</u>	
Denver Service Center,	
Branch of Procurement	Lakewood, Colorado
Branch of Information Resource Acquisition	Lakewood, Colorado
<u>Bureau of Reclamation</u>	
Administrative Service Center, Acquisition and Property Management Branch	Lakewood, Colorado
<u>Minerals Management Service</u>	
Procurement and Property Management Division	Herndon, Virginia
Western Administrative Service Center, Procurement and Contracts Branch	Golden, Colorado
<u>National Biological Service</u>	
Procurement Office	Arlington, Virginia
<u>National Park Service</u>	
Contracting and Procurement Division	Washington, D.C.
National Capital Regional Office	
Contracting Division	Washington, D.C.
Denver Service Center,	
Contract Administration Division	Lakewood, Colorado
Rocky Mountain System Support Office	Lakewood, Colorado
Division of Contracting and General Services	San Francisco, California
Golden Gate National Recreation Area, Branch of Contracting and Property Management	San Francisco, California



Office of Policy, Management and Budget

Office of Acquisition and Property  
Management  
Office of Administrative Services

Washington, D.C.  
Washington, D.C.

Office of Surface Mining Reclamation and Enforcement

Division of Administration

Denver, Colorado

Office of Insular Affairs

Operations Division

Washington, D.C.

U.S. Bureau of Mines

Branch of Procurement  
Branch of Procurement

Lakewood, Colorado  
Washington, D.C.

U.S. Fish and Wildlife Service

Division of Contracting and General Services  
Division of Contracting and General Services,  
Region 6  
Construction Contracting Office

Arlington, Virginia  
  
Lakewood, Colorado  
Lakewood, Colorado

U.S. Geological Survey

Office of Procurement and Contracts  
Branch of Procurement and Contracts

Reston, Virginia  
Denver, Colorado

**SUMMARY OF CONTRACTS, COOPERATIVE AGREEMENTS,  
AND GRANTS REVIEWED**

<u>B</u>	<u>Total Actions</u>		<u>Contracts</u>		<u>Cooperative Agreements/Grants</u>	
	<u>Reviewed</u>	<u>Not in Compliance</u>	<u>Reviewed</u>	<u>Not in Compliance</u>	<u>Reviewed</u>	<u>Not in Compliance</u>
Bureau of Land Management	26	1	26	1	0	0
Bureau of Reclamation	5	0	5	0	0	0
Minerals Management Service	11	0	6	0	5	0
National Biological Service	12	0	3	0	9	0
National Park Service	95	11	78	6	17	5
Office of Policy, Management and Budget	13	3	9	0	4	3
Office of Surface Mining Reclamation and Enforcement	4	0	4	0	0	0
Office of Insular Affairs	22	0	0	0	22	0
U.S. Bureau of Mines	21	1	13	0	8	1
U.S. Fish and Wildlife Service	53	2	23	2	30	0
U.S. Geological Survey	<u>76</u>	<u>3</u>	<u>52</u>	<u>2</u>	<u>24</u>	<u>1</u>
Total	<u>338</u>	<u>21</u>	<u>219</u>	<u>11</u>	<u>119</u>	<u>10</u>

**ILLEGAL OR WASTEFUL ACTIVITIES  
SHOULD BE REPORTED TO  
THE OFFICE OF INSPECTOR GENERAL BY**

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Within the Continental United States

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Office of Inspector General  
P.O. Box 1593  
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(703) 235-9399

TDD for the hearing impaired  
(703) 235-9403 or  
1-800-354-0996

Outside the Continental United States

**Caribbean Area**

U.S. Department of the Interior  
Office of Inspector General  
Caribbean Region  
Federal Building & Courthouse  
Veterans Drive, Room 207  
St. Thomas, Virgin Islands 00802

(809) 774-8300

**North Pacific Region**

U.S. Department of the Interior  
Office of Inspector General  
North Pacific Region  
238 Archbishop F.C. Flores Street  
Suite 807, PDN Building  
Agana, Guam 96910

(700) .550-7279 or  
COMM 9-011-671-472-7279

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FTS/Commercial Numbers  
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TDD 703-235-9403

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Arlington, Virginia 22210

